



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

<http://finance.senate.gov>

For Immediate Release

Wednesday, November 19, 2003

Contact: Laura Hayes
202-224-4351

Statement of U.S. Senator Max Baucus Support for Rural Provisions in Medicare Conference Report

(WASHINGTON, D.C.) U.S. Senator Max Baucus delivered the following comments at a press conference highlighting the significant rural provisions included in the Medicare conference agreement. Also attending the press conference were Sens. Charles Grassley (R-Iowa), John Breaux (D-La.), and Craig Thomas (R-Wyo.)

"Good morning. I'm pleased to be joining Chairman Grassley, Senator Breaux and Senator Thomas to focus on the many important rural provisions that we've included in the Medicare conference report.

I'd like to thank all three for their hard work and support. Senator Breaux and I shared the responsibility of being the only Democrats in the conference committee. Together we were able to accomplish many of our goals for the bill. And as the chair of the Rural Health Caucus and a member of the Finance Committee, I know Senator Thomas feels just as strongly about protecting rural America as I do.

And let me take a moment to add to my thanks to Chairman Grassley for his dedication and commitment to working together. Chuck and I have been through a lot together -- negotiations on two major tax bills, a Chairmanship that has swung back and forth, and now crafting the largest improvement to Medicare since its enactment almost 40 years ago.

This week, we've been going door to door together talking to Members of both our parties about the Medicare conference agreement. It's been good to hear their ideas and concerns and work to address them. We have a united front and I believe that we'll achieve victory on this bill.

Senator Grassley and I have always said that one of the reasons we work so well together is that we're both rural state Senators. We know the challenge and advantages of rural America because we both grew up there -- and go back as often as possible.

Strong protections for rural America and rural seniors have been my line in the sand throughout the Medicare negotiations. And I know they have been for Chairman Grassley as well. I would never support a bill that would undermine traditional fee-for-service Medicare

because that's the only option available to seniors in my state -- and in many rural regions all across our country.

The rural provisions included in the Medicare conference agreement is the largest rural package ever considered by Congress. We'll be sending \$25 Billion specifically to rural America. For my state of Montana, that means our hospitals and doctors will gain approximately \$100 million over the next ten years. These funds will strengthen our health care infrastructure across the country.

Let me just touch on some of the benefits:

1. Hospitals:

Our bill ensures that equal reimbursement payments continue for rural and small urban hospitals. For too long, our rural hospitals have been getting the short end of the stick. A procedure for a hip replacement costs the same in Billings, Montana as it does in New York City -- and should be reimbursed at the same level. These provisions will level the playing field.

We're also increasing payments to Critical Access Hospitals. I was proud to be the author of the Critical Access Hospital program back in 1997 and now 60 percent of the hospitals in my state are designated as 'Critical Access.' These are small, rural hospitals that provide life saving care to people who would otherwise be hours and hours away from the nearest hospital. And we'll provide a hand to our Disproportionate Share Hospitals -- those hospitals that care for an unusually large share of low-income Medicare patients.

2. Doctors:

At the very heart of rural care are the doctors. The life of a rural doctor can be especially challenging, so we include incentives to encourage doctors to serve in rural areas.

We're also readjusting rural Medicare physician payments to provide them with the support they deserve. Right now, Medicare de-values rural physicians' time and effort as compared with physicians practicing in an urban area. This isn't right and our bill will fix it.

Another important provision for doctors across the country is the across-the-board increase in physician fees. We'll reverse the anticipated 4.5 % cut and add a 1.5% increase in 2004 and 2005.

These are all great provisions that we must work hard to see enacted this year. Passage of the Medicare conference agreement will go a long way to help rural seniors and rural providers.

This is a prescription drug bill, but it's so much more. We're working to take care of the health needs of our seniors at all levels -- ensuring they have access to the doctors and hospitals they need, when they need them. This is a \$400 Billion opportunity in front of us. This bill is too important to rural American, too important to America's seniors and too important to me, to let it pass us by. "

###

